

TERMS and CONDITIONS
Commonwealth of Massachusetts
Housing Stabilization Fund Rehabilitation Initiative Rental Program

For more information please call the HOME and HSF staff at (617) 573-1300.

Eligible Borrowers:	For profit developers; non-profit developers; municipalities in cooperation with any of the above.
Eligible Activities:	Acquisition and/or rehabilitation of existing structures for multi-family rental use, including distressed or failed properties and the new construction of rental projects. Minimum project size of 5 HSF-assisted units.
Maximum Loan Amount:	DHCD will award up to \$750,000 per project. In HOME entitlement or HOME consortium communities, the maximum loan is up to \$50,000 per HSF-assisted unit. In non-entitlement or non-consortium communities, the maximum loan is up to \$65,000 per HSF-assisted unit. A list of entitlement and consortium communities is located at the bottom of the next page.
Match Requirement:	Projects located in HOME entitlement or HOME consortium communities should include a commitment of local funds. If an application is submitted without a match, it may not be scored. In general, preference will be given to applications with full match commitments.
Cost/Fee Limits:	Projects with Total Development Costs in excess of \$155,000 per unit may not be scored. The combined cost of the developer fee, developer overhead and development consultant may not exceed 12.5% of a project's Total Development Cost. For projects seeking Low-Income Housing Tax Credits (LIHTC) with Housing Stabilization funds, the developer fee, overhead and development consultant costs must be within the allowable LIHTC limits.
Security:	All HSF loans will be secured by a mortgage on the property. HSF funds are often subordinate to other loans; the subordinate position will depend upon the financial structure of the deal.
Affordability:	All units receiving HSF assistance must be occupied by households earning no more than 80% of the area median income during the first 40 years . During years 41-50, HSF units may be occupied by households earning no more than 100% of the area median income. In addition, HSF has a programwide goal that at least twenty-five (25) percent of households occupying Affordable Units have incomes at or below 30% of median income. Rents in HSF projects must conform to the high HOME rent schedule, HUD Section 8 or other DHCD program rental rates. Please contact DHCD for a list of maximum rents and household incomes for your community.
Holdback Feature:	DHCD provides HSF funds through a requisition process and holds back 10% of the HSF award until the project is substantially complete.
Term of Loan:	Loans will be for 50 years. During the final year of a loan, the owner may request an extension of up to 50 years in order to maintain the

	affordability of the housing.
Recourse:	The loans will be non-recourse.
Interest Rate:	Generally, DHCD HSF loans are deferred payment loans with zero percent interest rates. DHCD reserves the right to assign a higher rate of interest to any HSF loan.
Debt Coverage Ratio:	DHCD expects HSF projects to have minimum debt coverage ratios of approximately 1.15 in year one.
Sustainable Development Principles	Applicants should submit applications for projects that are guided by DHCD's principles to encourage sustainable development.
Environmental:	An ASTM Phase One environmental assessment must be completed and submitted for each property within the project, either with the application or as part of the loan closing documentation. Properties also may be subject to additional review.
Good Standing at DHCD:	Applicants for HSF funds, including all members of their development teams, must be in good standing with DHCD with respect to other DHCD-assisted projects.
Application Fees:	The application fee for non-profit developers is \$300 per project; the fee for for-profit developers is \$600 per project.

HOME Entitlement Cities

Boston	Brockton	Cambridge	Fall River	Lawrence	Lowell	Lynn
New Bedford	Somerville	Springfield	Worcester			

HOME Consortia

Barnstable County Consortium

Barnstable	Bourne	Brewster	Chatham	Dennis	Eastham	Falmouth
Harwich	Mashpee	Orleans	Provincetown	Sandwich	Truro	Wellfleet
Yarmouth						

Fitchburg-Leominster Consortium

Greater Attleboro-Taunton Consortium

Attleboro	Berkeley	Dighton	Easton	Lakeville	Mansfield	
Middleborough	Norton	North Attleboro	Plainville	Raynham	Seekonk	Taunton

Holyoke-Chicopee-Westfield Consortium

Malden - North Suburban Consortium

Arlington	Chelsea	Everett	Malden	Medford	Melrose	Revere
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Newton Consortium

Bedford	Belmont	Brookline	Lincoln	Needham	Newton	Waltham
Watertown						

Peabody - North Shore Consortium

Amesbury	Beverly	Boxford	Danvers	Essex	Georgetown	Gloucester
Haverhill	Ipswich	Lynnfield	Manchester-by-the-Sea		Marblehead	Merrimac
Methuen	Middleton	Newburyport	North Andover		North Reading	Peabody
Rockport	Rowley	Salem	Salisbury	Swampscott	Wenham	West Newbury
Wilmington						

Quincy - Weymouth Consortium
